Food and Agriculture
Organization of the
United Nations

IUCN SSC
Human-Wildlife
Conflict & Coexistence
SPECIALIST GROUP

HUMAN-WILDLIFE CONFLICT & COEXISTENCE
/ CASE STUDIES

DEVELOPING AN INSURANCE SCHEME TO MITIGATE THE IMPACTS CAUSED BY WILDLIFE

© UNSPLASH/DAVID CLODE

© TONY WILD AND NORAH ROTICH

© TONY WILD AND NORAH ROTICH

SHOUT
SHARE
IT

INTRODUCTION

Human-wildlife conflict often imposes economic and human costs on humans worldwide, often in some of the poorest areas. Financial mechanisms to mitigate the costs of human-wildlife conflict have primarily focused on compensation schemes to date, but these have achieved mixed results. In 2018, researchers at the International Institute for Environment and Development (IIED) felt that the role of insurance schemes had not been investigated enough and thought private insurance might address some of the pitfalls of compensation schemes if developed correctly. While several NGOs had developed a few insurance schemes, few had been led by a commercial, private sector insurance company.

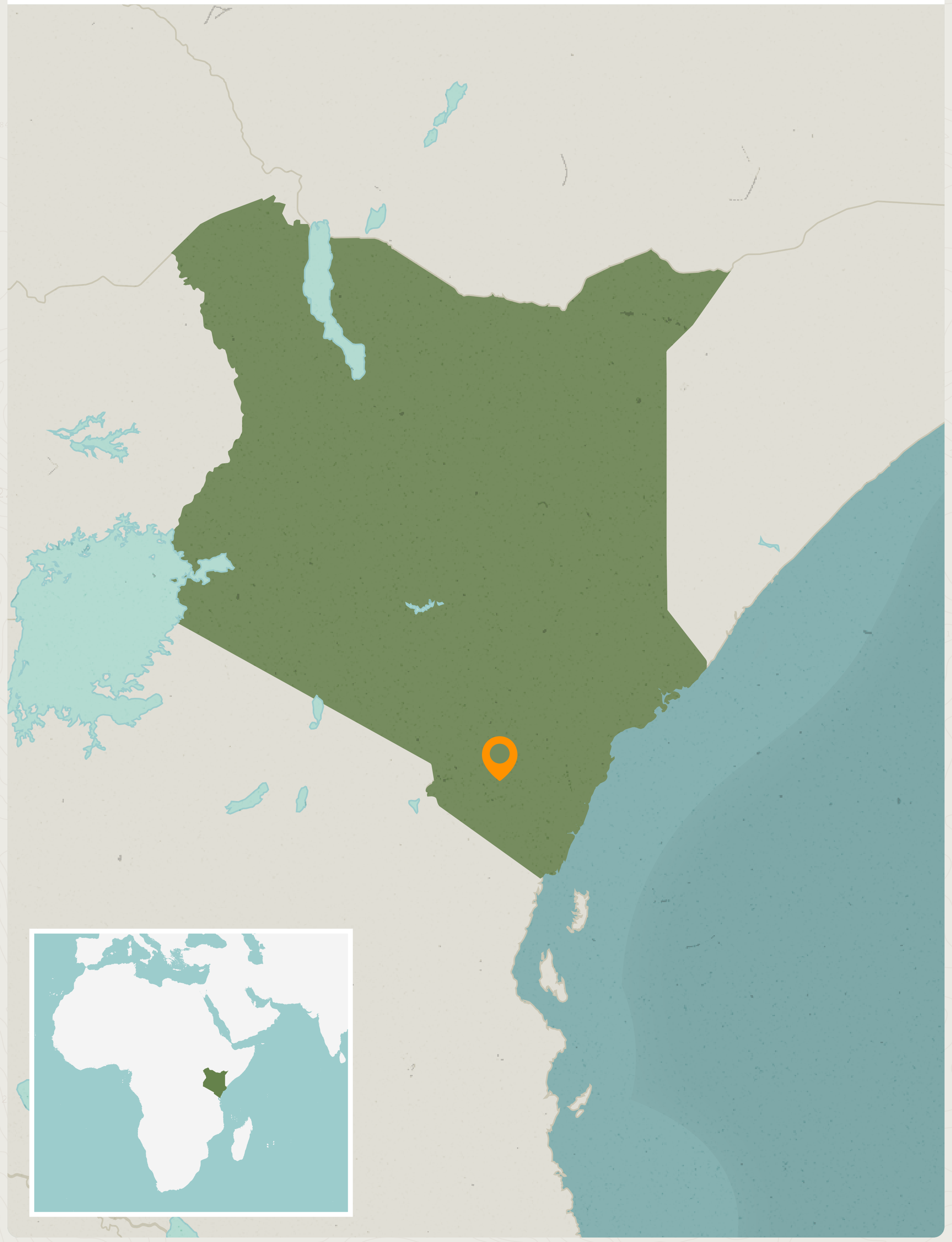
KEY INSIGHTS & LESSONS LEARNT
ON PAGE 10

© TONY WILD AND NORAH ROTICH

KAJIADO & TAITA TAVETA

SOUTHERN KENYA

KAJIADO & TAITA TAVETA, KENYA



Source: Free Vector Maps modified to comply with UN, 2020

Free Vector Maps 2022. World Map [online] [Cited 5 January 2022] https://freevectormaps.com/world-maps/WRLD-EPS-03-0001

© TONY WILD AND NORAH ROTICH

Elephants in Africa (*Loxodonta africana*) and Asia (*Elephas maximus*) can cause considerable impacts on the people living alongside them. In Kenya, between 2015 and early 2017, over 3000 cases of human-elephant conflict were reported. This led to the start of the Livelihoods Insurance from Elephants (LIFE) project by the IIED with funding provided by the UK government's Darwin Initiative. In Kenya and Sri Lanka, IIED's efforts had started to explore the potential for insurance in mitigating these impacts.

THE LIFE PROJECT INTENDED TO HELP THE GOVERNMENTS OF KENYA AND SRI LANKA PILOT NEW INSURANCE SCHEMES, LEARN FROM EACH OTHER, AND DEVELOP AN EFFECTIVE NATIONAL APPROACH.

This case study will highlight the activities conducted in Kenya, but similar approaches were taken in Sri Lanka.

PROBLEM ANALYSIS

In Kenya, human-wildlife conflict is one of the highest political priorities. Kenya has a government-administered compensation scheme for personal injury, death, damage to property and crops, and livestock depredation. A Human-Wildlife Compensation report, published in 2019 by the Kenya Wildlife Services (KWS), found that between 2014-2019 KSh 1.55 billion (USD 13.8 million) worth of claims had been approved for payment, with KSh 1.85 billion (USD 16.4 million) deferred due to a lack of documentation and KSh 1.50 billion (USD 13.3 million) rejected, highlighting the great extent of the issue.

© TONY WILD AND NORAH ROTICH

THE COMPENSATION SCHEME IN KENYA STRUGGLED TO MAKE TIMELY PAYMENTS TO CLAIMANTS.

© TONY WILD AND NORAH ROTICH

PROCESS

At the start of the LIFE project, IIED partnered with AB Consultants, an independent market driver seeking to increase insurance penetration in Kenya and other parts of Sub-Saharan Africa. In June 2018, an inception workshop was held by IIED involving participants and stakeholders from both the private and public sectors. It was agreed that the LIFE Project should focus on developing a pilot insurance scheme for selected locations during the workshop. The Government of Kenya also investigated options for a national insurance scheme. It was highlighted that the LIFE project should complement this work and provide technical support to the national insurance scheme. In discussions with these stakeholders, the counties of Kajiado and Taita Taveta were identified as suitable pilot sites, particularly as they had been identified as experiencing high rates of human-wildlife conflict.

> **COMPLETED IN FEBRUARY 2019, A SITUATION ANALYSIS INTENDED TO UNDERSTAND THE HUMAN-WILDLIFE CONFLICT IN KENYA AND THE POTENTIAL ROLE OF AN INSURANCE SCHEME WAS CONDUCTED.**

© LIFE PROJECT

© LIFE PROJECT

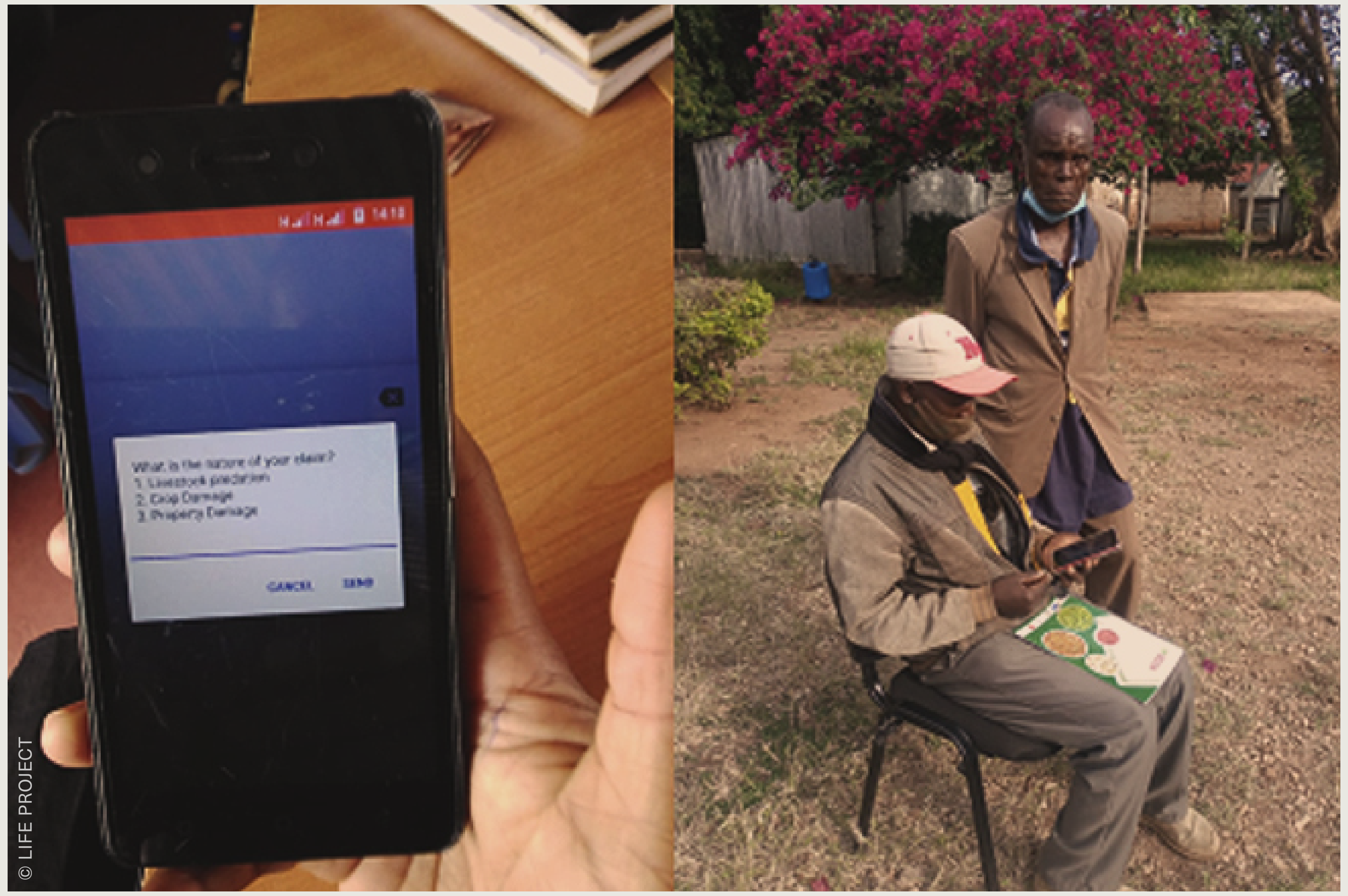
The analysis identified the types of impacts occurring in Kenya and the measures taken to mitigate them, including the challenges faced with a particular emphasis on compensation schemes. The viability of a micro-insurance scheme was also determined. Analysis was conducted at each pilot site, highlighting where and when incidences were occurring the most and what types of impacts were happening, including the types of crops that were being damaged.

In early 2019, AB Consultants visited the two field sites at Kajiado and Taita Taveta counties to hold local inception meetings to explain the project, understand human-wildlife conflict issues from the community's perspective, and establish partnerships at the sites with community-based organisations. During the field visit, market research was conducted with the communities actively involved in the insurance schemes design by indicating how much they would be willing to pay for premiums once the pilot was set up. The communities also suggested trusted networks that the project should use when trying to engage with the population. Research assistants were employed from the sites to collect this data which helped with community buy-in.

In parallel to the LIFE project, the Government of Kenya had started discussions with insurance companies and requested a national consultation on the insurance industry and human-wildlife conflict. In May 2019, the Ministry of Tourism and Wildlife, in collaboration with conservation stakeholders in the public sector, AB Consultants and IIED, hosted a forum with 150 practitioners from the government, the private sector, community organisations and wildlife NGOs to discuss possible solutions for designing a human-wildlife conflict compensation scheme.

> THIS PROVIDED A PLATFORM FOR THE FIRST TIME FOR EXPERTS IN INSURANCE AND HUMAN-WILDLIFE CONFLICT TO DISCUSS THE TWO SECTORS.

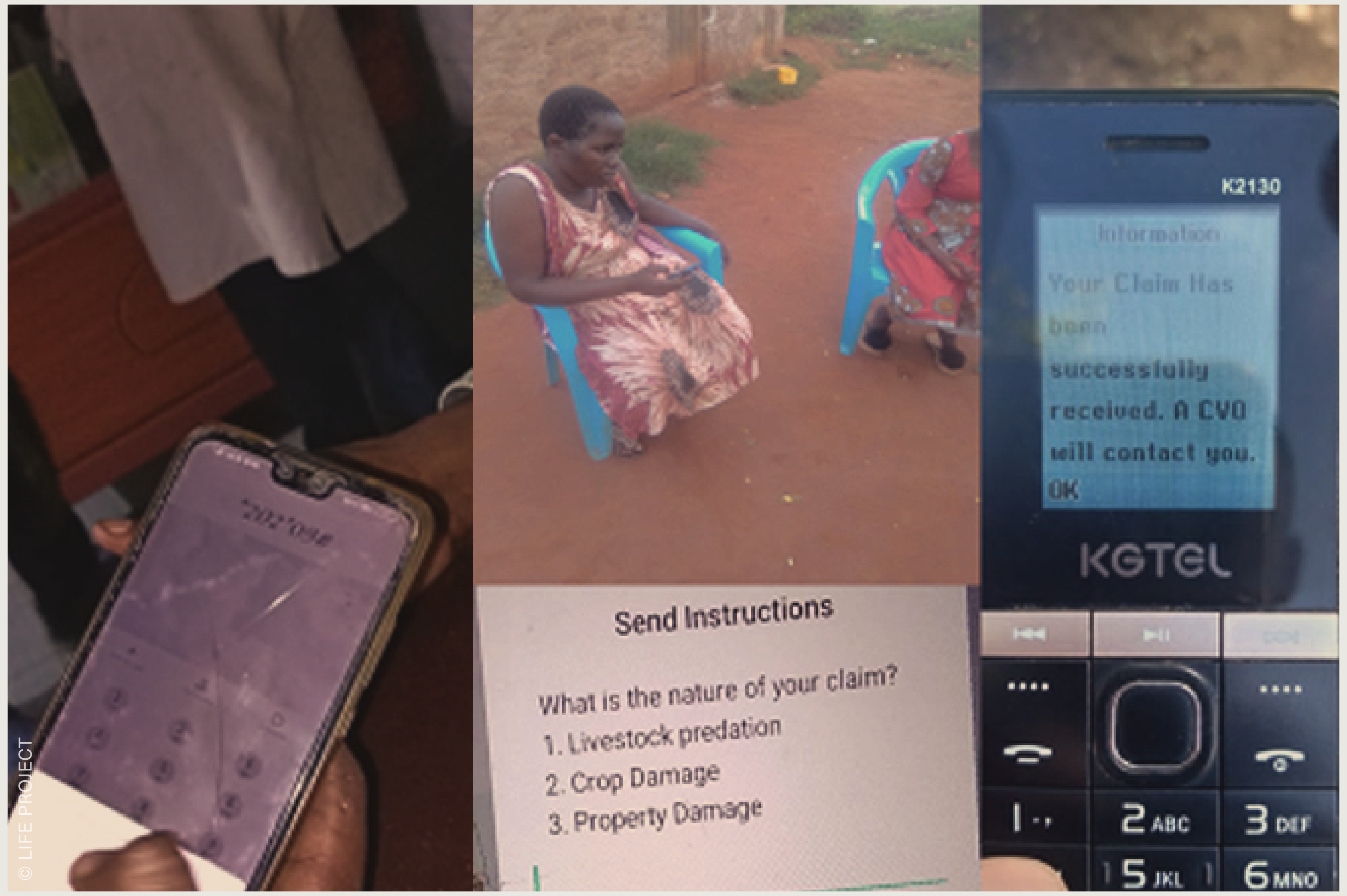
At the conclusion of the workshop, a task force was formed from participants, including AB Consultants to collate, collect and compile relevant data on existing compensation schemes and identify how to implement an insurance scheme that would meet the needs of the communities. Having initially focused on insuring farmers for elephant damage, the national insurance scheme was expanded to cover major wildlife damage.



What is the nature of your claim?
1. Livestock predation
2. Crop Damage
3. Property Damage

CANCEL SEND

© LIFE PROJECT



Send Instructions

What is the nature of your claim?
1. Livestock predation
2. Crop Damage
3. Property Damage

K2130

Information

Your Claim Has been successfully received. A CVO will contact you.

OK

© LIFE PROJECT

AB Consultants had also been meeting with insurance and micro-insurance stakeholders to develop the insurance scheme. Underwriters were identified to determine the level of risk for insuring communities from human-wildlife conflict. An insurance company partnered with the project partners to underwrite the scheme. A software platform was designed and developed by an IT company to verify human-wildlife conflict claims in the communities using mobile software.

> THE SYSTEM IS AN END-TO-END SYSTEM THAT ALLOWS COMMUNITY MEMBERS IN THE CONFLICT AREAS TO REPORT INCIDENCES AS THEY HAPPEN THROUGH A USSD PLATFORM ON THEIR MOBILE PHONES.

The platform allows for the incidences to reach the underwriter in real-time once they have been verified by a community verification officer. A prototype was conducted in May 2021 in Kajiado and Taita Taveta to establish and understand the communities' ease and willingness to use the platform to report HWC incidences.

Using the information collected from field site visits and in collaboration with the Task Force on Insurance and Human-Wildlife Conflict, an insurance scheme was developed. The scheme included calculation of the premiums and the details around what could be claimed and how much a claimant could receive, including conditions around the claim such as the need for a boma to be appropriately fenced, or the herder present at the time being over the age of 18 years old.

© LIFE PROJECT

© LIFE PROJECT

© LIFE PROJECT

© LIFE PROJECT

© LIFE PROJECT

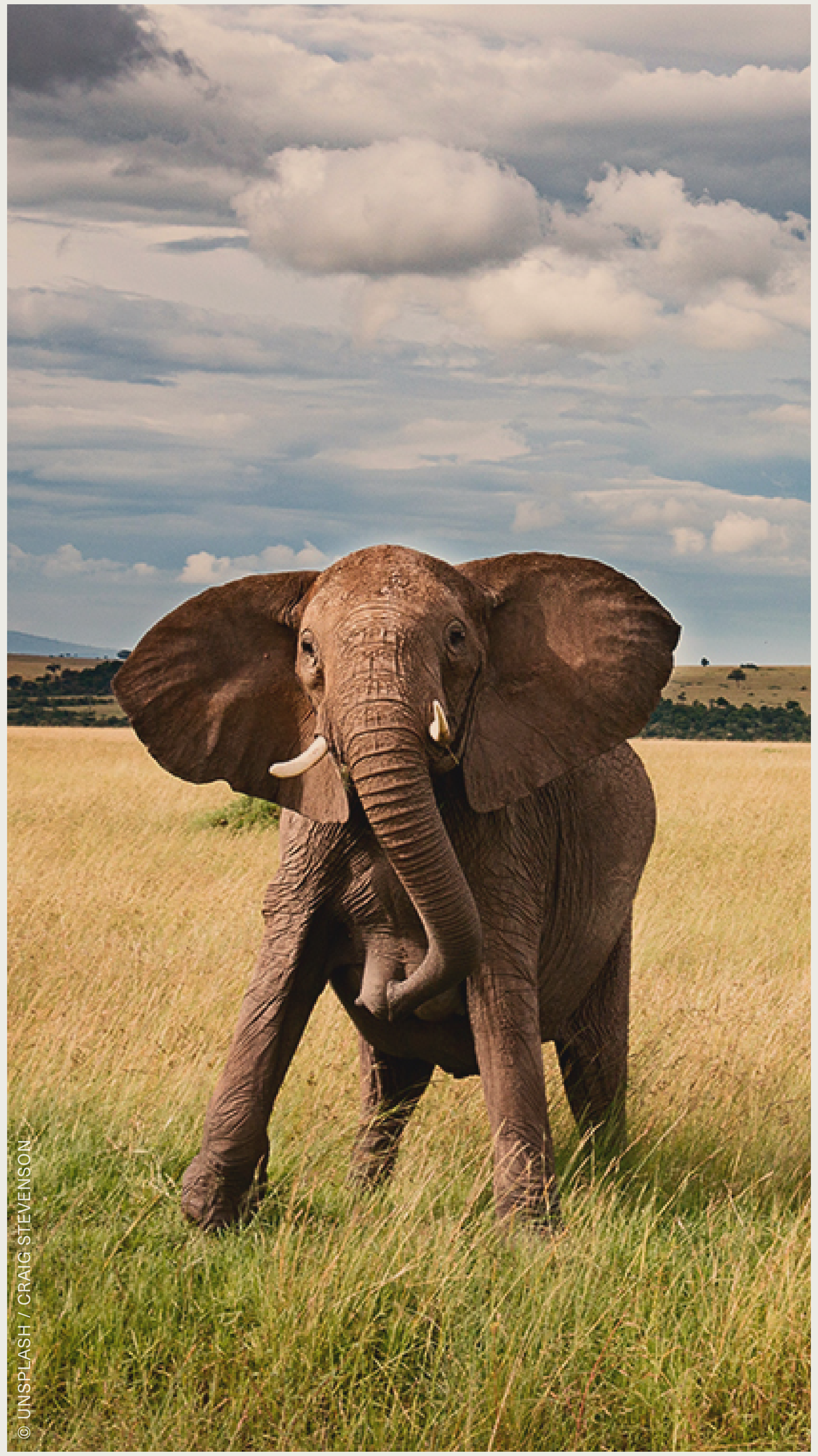
© LIFE PROJECT

PROPOSED REPORTING PROCESS

When an incident occurs, the claimant will notify the authorities via a USSD platform on their mobile phone or, if they do not have access to this technology, by reporting to the nearest government representative who would notify the authorities. A centralised hub will receive these notifications and simultaneously inform the local KWS post, community representatives, the police in the case of injuries or deaths, and the insurance company. When the local KWS post receives the notification, field officers will be dispatched to assess the nature of the damage and complete a comprehensive incident report.

THE LOCAL COMMUNITY VERIFICATION OFFICERS (CVOS) WILL RECEIVE A NOTIFICATION ON THEIR DEVICES WHICH WILL ALERT THEM TO AN INCIDENT. THEY WILL GO TO THE CLAIMANTS LOCATION AND VERIFY THE INCIDENT, TAKE PICTURES OF THE DAMAGE AND RELEVANT DOCUMENTS AND RECORD THE VICTIM'S AND WITNESSES' STATEMENTS.

The information will be submitted in a report to the centralised hub. The community verification officers report to the county insurance officers, who will check the information collected and decide whether to recommend payment to the claimant. The insurance company will then assess the claim and decide whether to pay or not, notifying the claimant of the decision.


© UNSPLASH / CRAIG STEVENSON

© LIFE PROJECT

© LIFE PROJECT

NEXT STEPS

The insurance scheme was formally approved by the Insurance Regulatory Authority (IRA), an insurance regulator in Kenya, in February 2021. The implementation plan was presented to the Cabinet Secretary for Tourism and Wildlife in October 2021 who approved it for implementation in 2022. It is hoped that the scheme will be piloted in five hot spot counties, including the research counties of Kajiado and Taita Taveta.

> THE IDEA OF THE PILOT IS TO COLLECT AND VALIDATE THE DATA USED FOR PRICING, TO TEST MESSAGING AND COMMUNITY EDUCATION STRATEGIES AND TO TEST THE DEVELOPED TECHNOLOGY PLATFORM TO EVALUATE THE POTENTIAL FOR THE NATION-WIDE SCHEME LAUNCH.

© TONY WILD

KEY INSIGHTS & LESSONS LEARNT

01 LOCAL INNOVATION

IIED originally developed the framework of the project, but through the involvement of the Kenyan private sector, government, civil society and affected communities, the project evolved to deliver an insurance scheme that should be effective locally.

02 INTERDISCIPLINARY EXPERTISE

By partnering with insurance experts in Kenya, the project collected the correct information required to develop an insurance scheme, with the insurance experts adding credibility to the project, particularly when engaging with insurance companies. The involvement of the conservation experts was equally substantial. Their insights on conservation measures and community inclusion in the scheme gave it a uniqueness that other insurance products do not have.

03 GOVERNMENT COLLABORATION

Developing a private insurance scheme for the national level required that the Government in Kenya commit to handing over the compensation scheme to the private sector. This increased the policy leverage of the project but slowed implementation as government processes can take longer, with approvals required

04 SHARED LEARNING

The project held monthly team calls between IIED, AB Consultants in Kenya and the Sri Lanka team. Through these calls, lessons learnt could be shared between the partners on different approaches taken calculating premiums, identifying the types of risks to be insured, claims reporting and verification, and how to finance the premiums, which helped design the insurance schemes.

05 A NATIONAL APPROACH

By developing the insurance scheme at the national scale, duplication of claims by the affected households would be avoided as there would only be one process for making claims. If the original compensation scheme existed, then multiple claims could abuse the system.

FURTHER INFORMATION

- Livelihoods Insurance from Elephants (LIFE) Project in Kenya and Sri Lanka
- National Wildlife Conservation Status Report 2015-2017 by Kenya Wildlife Service
- Human-Wildlife Compensation Report 2014-2017 by Kenya Wildlife Service

ACKNOWLEDGEMENTS

With thanks to Paul Steele from IIED and Barbara Chesire-Chabbaga, Betty Chebet and Zipporah Muchoki from AB Consultants who were funded by the UK government's Darwin Initiative for their vital contributions to this case study, and to James Stevens (Programme Officer, IUCN SSC Human-Wildlife Conflict & Coexistence Specialist Group for writing the case study, with support provided by Paromita Basak (Wildlife Intern, FAO). The author would also like to acknowledge the valuable and constructive feedback provided by Alexandra Zimmermann (Chair, IUCN SSC Human-Wildlife Conflict & Coexistence Specialist Group) and Kristina Rodina (Forestry Officer, FAO). PRVRT Creative Studio took care of the graphic design and layout.

ABOUT THE CASE STUDIES

The **Food and Agriculture Organisation of the United Nations** (FAO) and the **IUCN SSC Human-Wildlife Conflict & Coexistence Specialist Group** (HWCCSG) have jointly developed a set of case studies with the aim of covering the process projects have taken to manage various aspects of a human-wildlife conflict & coexistence situation. This case study is one of many that will be used to illustrate key components of the **IUCN SSC Guidelines on Human-Wildlife Conflict & Coexistence**. The published case studies can be found in the **Human-Wildlife Conflict & Coexistence Library**.

DISCLAIMERS

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO. The boundaries and names shown and the designations used on this/these map(s) do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers and boundaries. Dashed lines on maps represent approximate border lines for which there may not yet be full agreement.

Required citation: FAO and IUCN SSC HWCCSG. 2023. *Developing an insurance scheme to mitigate the impacts caused by wildlife*. Rome, FAO

© UNSPLASH / GELN CARRIE

Contact:
Forestry Division – Willdife and Protected Areas Management
http://www.fao.org/forestry/wildlife
Food and Agriculture Organization of the United Nations
Rome, Italy

Some rights reserved. This work is available
under a CC BY-NC-SA 3.0 IGO licence

© FAO, 2023
CC4287EN/1/02.23